

Weekly economic review

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A look at this week's markets

At the close on Thursday



	<i>Week-to-date</i>		<i>Year-to-date</i>	
Canadian Bonds (total return)	Local currency	<i>In CAD</i>	Local currency	<i>In CAD</i>
FTSE TMX Universe	-0.31%		-1.20%	
FTSE TMX Long	-0.68%		-3.19%	
Corps	-0.14%		-0.42%	
Equities (total return)				
S&P/TSX	0.06%		2.90%	
S&P 500	2.26%	1.50%	2.66%	1.95%
NASDAQ	4.10%	3.32%	4.99%	4.26%
MSCI EAFE	0.61%	0.40%	3.21%	2.22%
MSCI Emerging	3.44%	2.77%	9.15%	8.15%
Other	Current price	Return WTD*	Return YTD*	
Oil (WTI)	53.13 \$	1.47%	9.50%	
USD/CAD	0.7913 \$	0.75%	0.70%	
EUR/USD	1.2082 \$	0.68%	-0.43%	
Gold	1 870.02 \$	2.27%	-1.49%	

2 Source: iA Economics, data via Bloomberg, returns since the close of January 15, 2020

*WTD/YTD = Week-to-date / Year-to-date

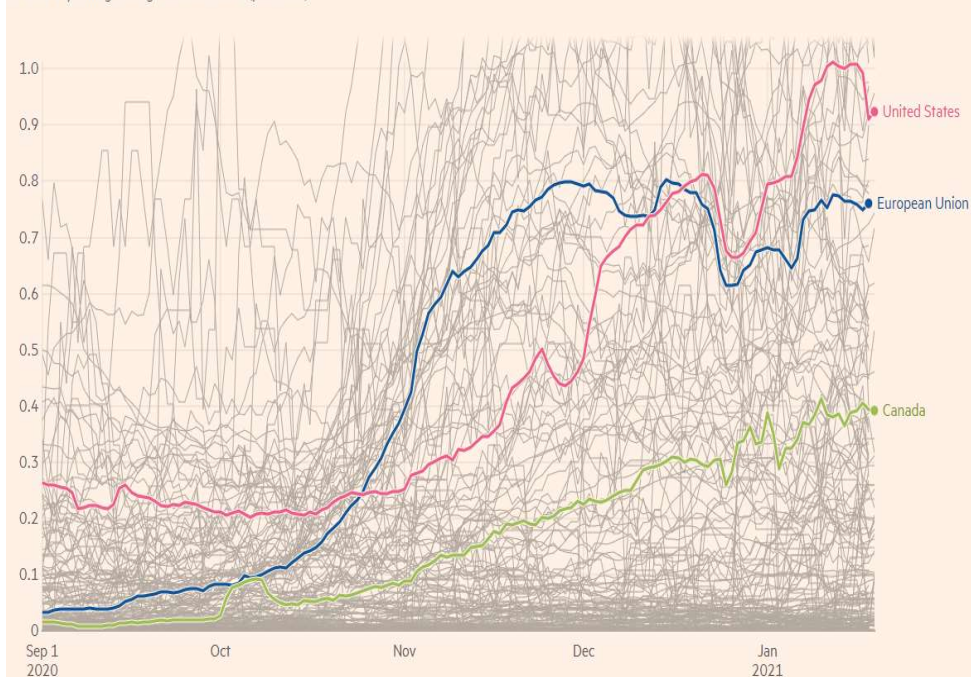
COVID:

An update on the current situation



New deaths attributed to Covid-19 in European Union, United States and Canada

Seven-day rolling average of new deaths (per 100k)



Source: Financial Times analysis of data from the World Health Organization, the Covid Tracking Project, the Johns Hopkins CSSE, the UK Government coronavirus dashboard, the Spanish Ministry of Health and the Swedish Public Health Agency.
Data updated January 21 2021 3.05pm GMT. Interactive version: ft.com/covid19

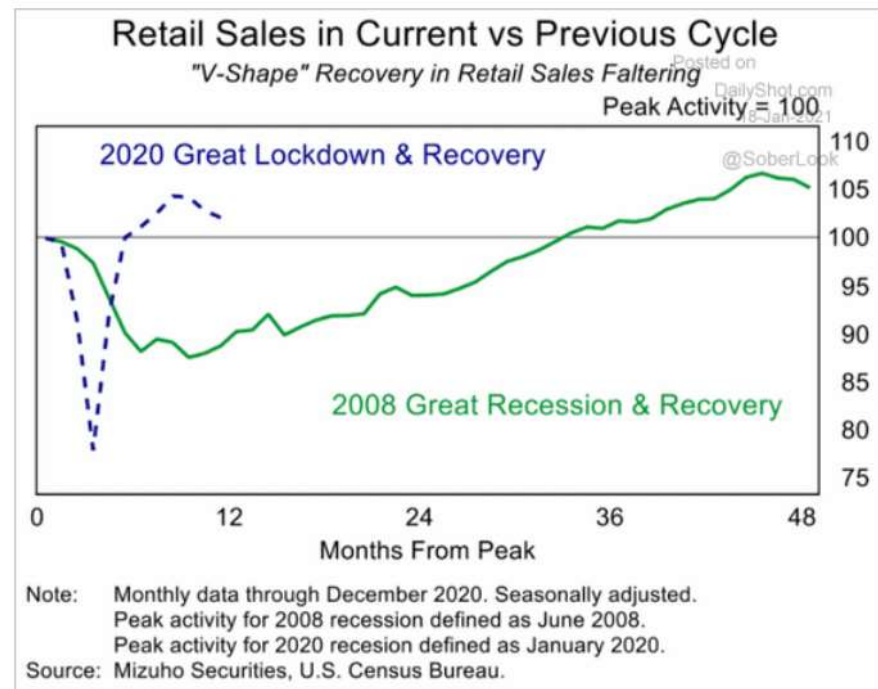
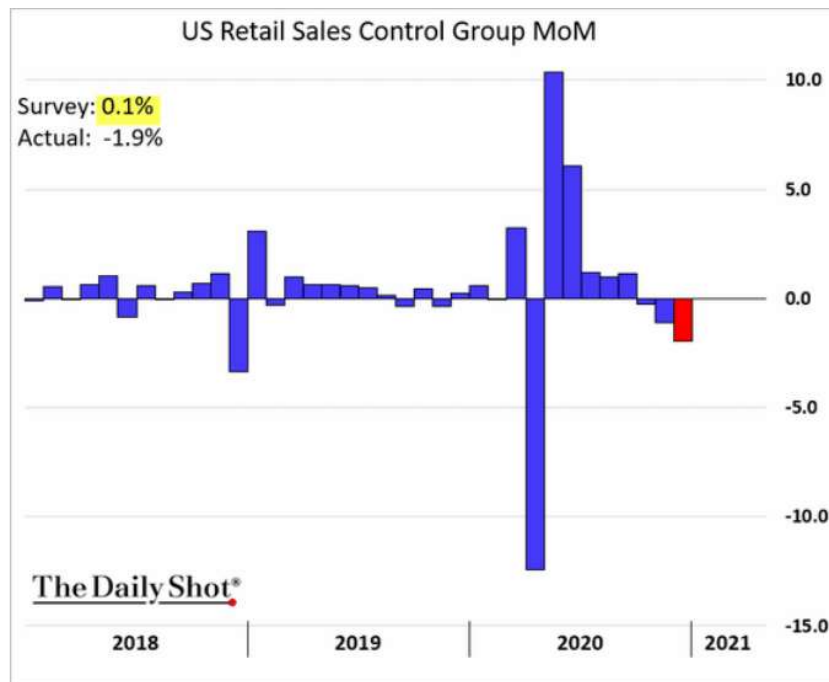
FINANCIAL TIMES

Dr. Fauci says new data shows Covid vaccines appear to be less effective against some new strains

PUBLISHED THU, JAN 21 2021 4:31 PM EST | UPDATED THU, JAN 21 2021 6:46 PM EST

U.S.:

Retail sales worse than expected, but still above previous recessions!



This week in Washington:

Let's start afresh, Biden becomes the 46th U.S. president



‘New dawn in America’: World leaders welcome U.S. President Joe Biden and Vice President Kamala Harris

PUBLISHED WED, JAN 20 2021-10:35 PM EST | UPDATED THU, JAN 21 2021-12:14 AM EST



Trump steps out of the White House and into a company in crisis

Canada:

Keystone pipeline project cancellation to hurt exports

CANADA

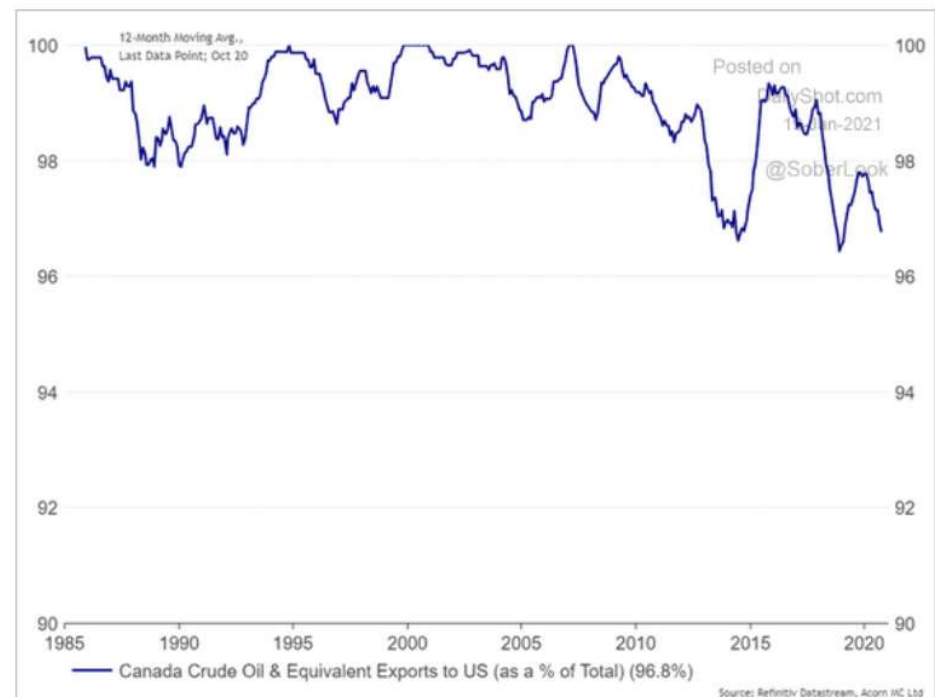
Biden revokes presidential permit for Keystone XL pipeline expansion on 1st day

By [Hannah Jackson](#) • Global News

Posted January 20, 2021 5:42 pm • Updated January 21, 2021 12:35 pm



Canada Crude Oil & Equivalent Exports to U.S. (as a % of total)



Source: [@RichardDias_CFA](#)

Bank of Canada:

An optimistic tone gives wings to the loonie!

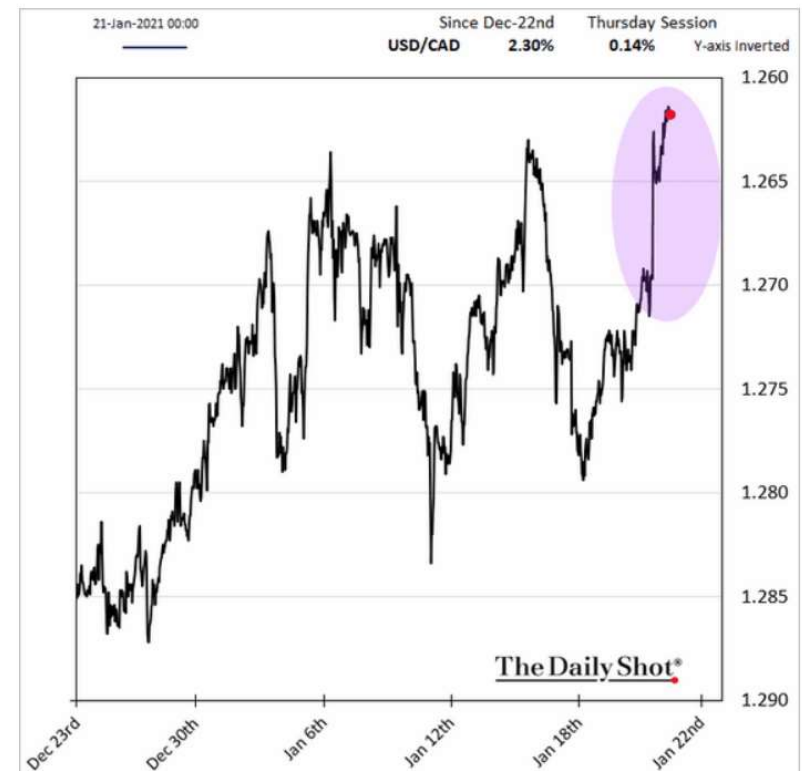


Table 2: Contributions to average annual real GDP growth
Percentage points*†

	2019	2020	2021	2022	2023
Consumption	1.0 (1.0)	-3.7 (-3.9)	1.7 (2.4)	3.1 (2.3)	1.9
Housing	0.0 (0.0)	0.3 (0.1)	0.7 (0.6)	0.0 (0.0)	0.0
Government	0.4 (0.4)	0.0 (0.0)	1.3 (1.3)	0.6 (0.2)	0.4
Business fixed investment	0.1 (0.0)	-1.2 (-1.2)	0.3 (0.1)	0.8 (0.7)	0.5
Subtotal: final domestic demand	1.5 (1.3)	-4.6 (-5.0)	4.0 (4.4)	4.5 (3.2)	2.8
Exports	0.5 (0.4)	-3.0 (-3.0)	1.7 (1.3)	1.9 (1.5)	1.0
Imports	-0.2 (-0.2)	3.9 (3.5)	-2.8 (-2.4)	-1.9 (-1.4)	-1.3
Subtotal: net exports	0.3 (0.2)	0.9 (0.5)	-1.1 (-1.1)	0.0 (0.1)	-0.3
Inventories	0.2 (0.1)	-1.8 (-1.2)	1.1 (0.9)	0.3 (0.4)	0.0
GDP	1.9 (1.7)	-5.5 (-5.7)	4.0 (4.2)	4.8 (3.7)	2.5
Memo items (percentage change)					
Range for potential output	1.5–2.1 (1.5–2.1)	0.1–1.3 (0.1–1.3)	0.2–1.6 (0.2–1.6)	0.3–1.9 (0.3–1.9)	0.2–2.2 (0.2–2.2)
Real gross domestic income (GDI)	1.9 (1.6)	-6.5 (-6.3)	5.2 (4.6)	4.9 (3.6)	2.3
CPI inflation	1.9 (1.9)	0.7 (0.6)	1.6 (1.0)	1.7 (1.7)	2.1

* Numbers in parentheses are from the projection in the previous Report.

† Numbers may not add to total because of rounding.



7 Source: Bank of Canada Monetary Policy Report, Jan 20, 2021

Source: WSJ

Financial markets

Wall Street:

Biden's presidency welcomed by the market

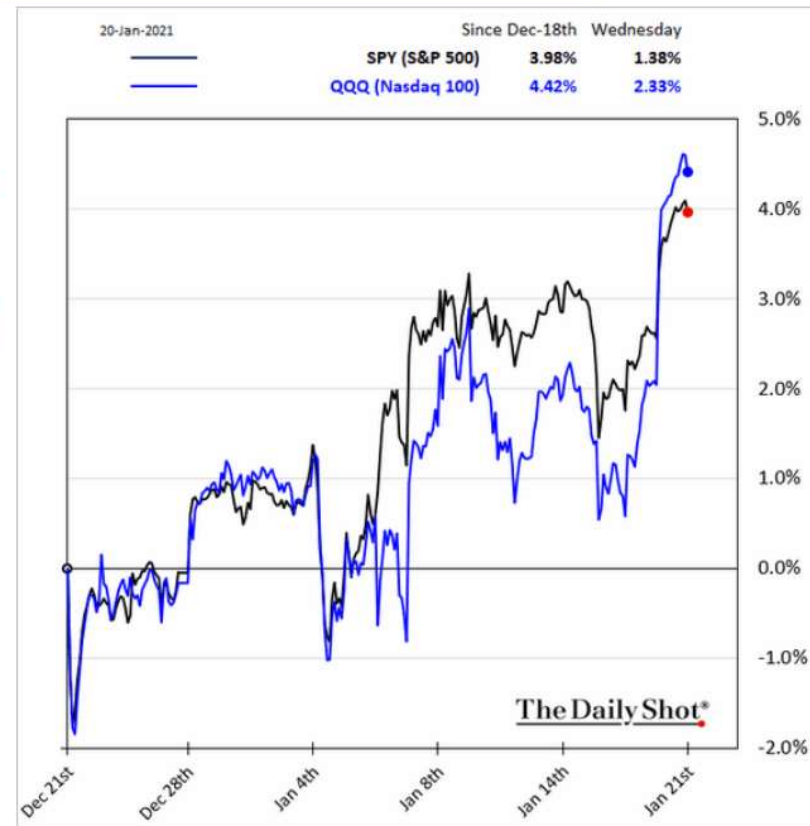


Stocks rally to a record as Biden sworn in as president, Netflix soars

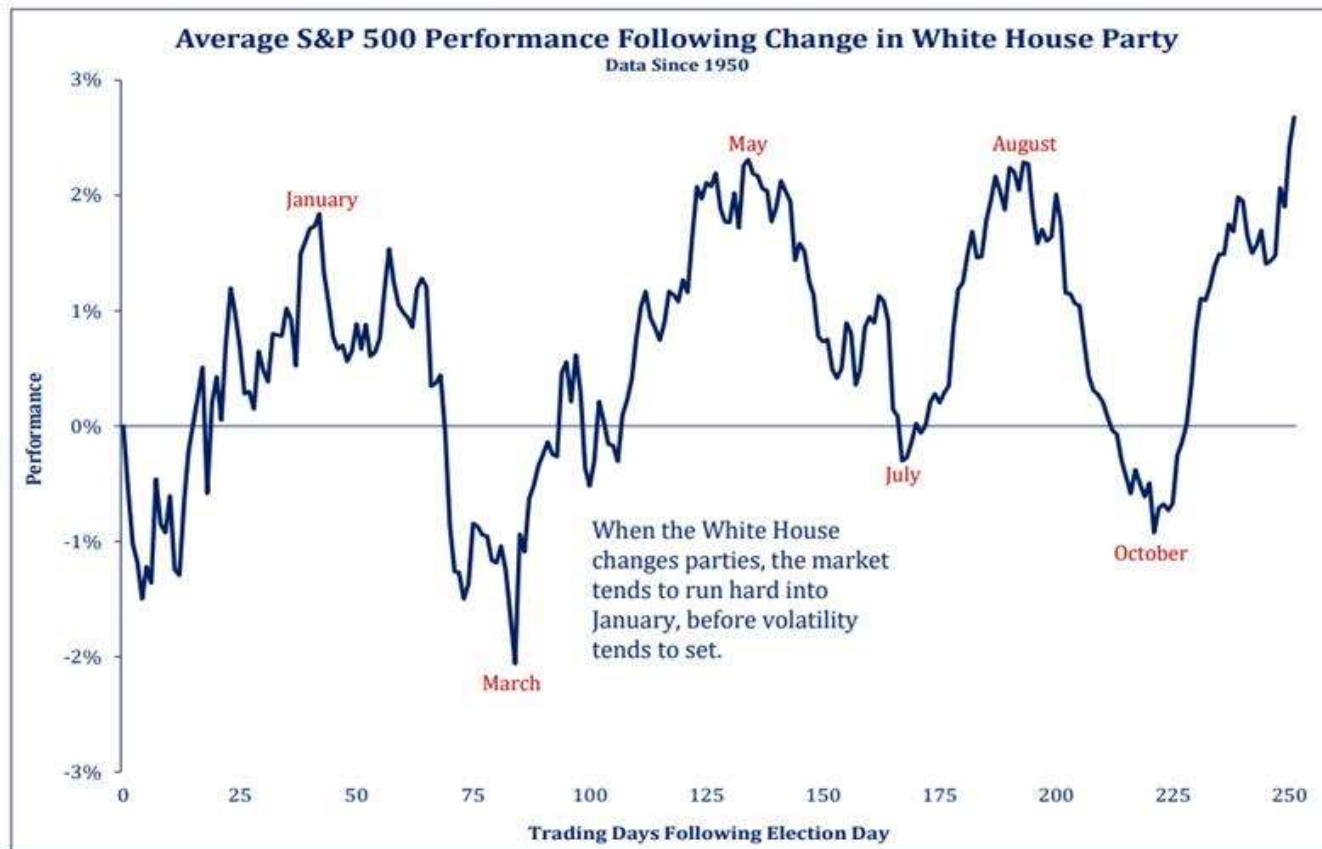
PUBLISHED TUE, JAN 19 2021-6:01 PM EST | UPDATED WED, JAN 20 2021-6:05 PM EST

Biden heads into inauguration with a stock market tailwind

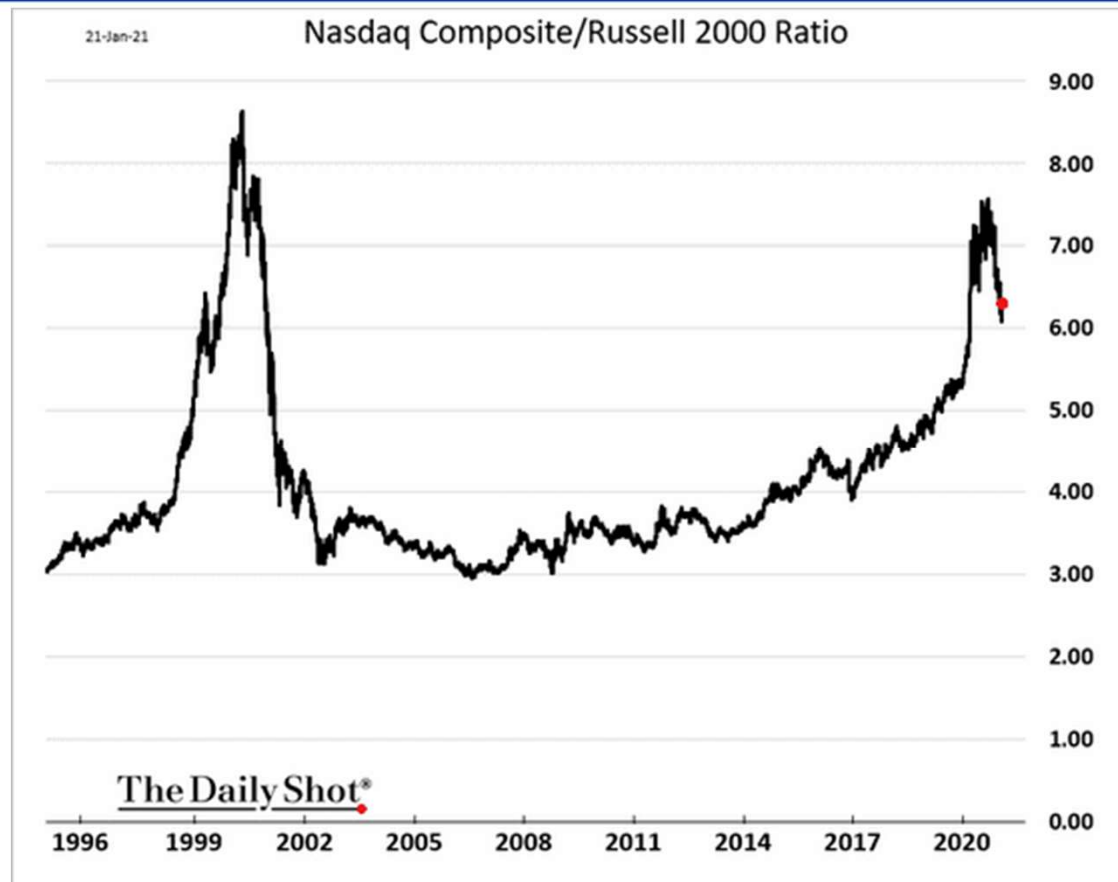
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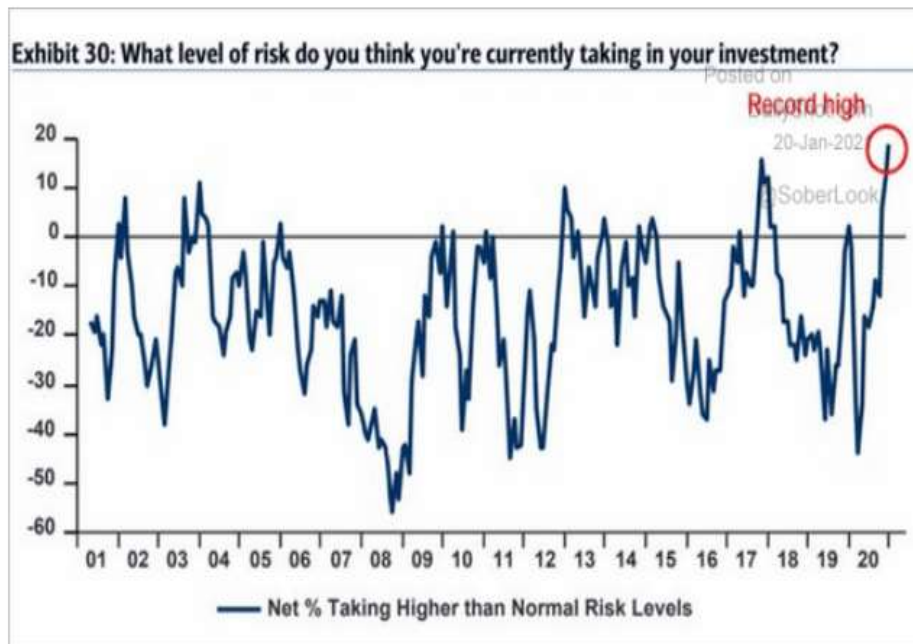
Wall Street: Year following elections tends to be positive, but quite volatile



Equities: The rotation from Nasdaq to small caps still going strong



Markets: Risk appetite running high!



Source: [BofA Global Research](#)

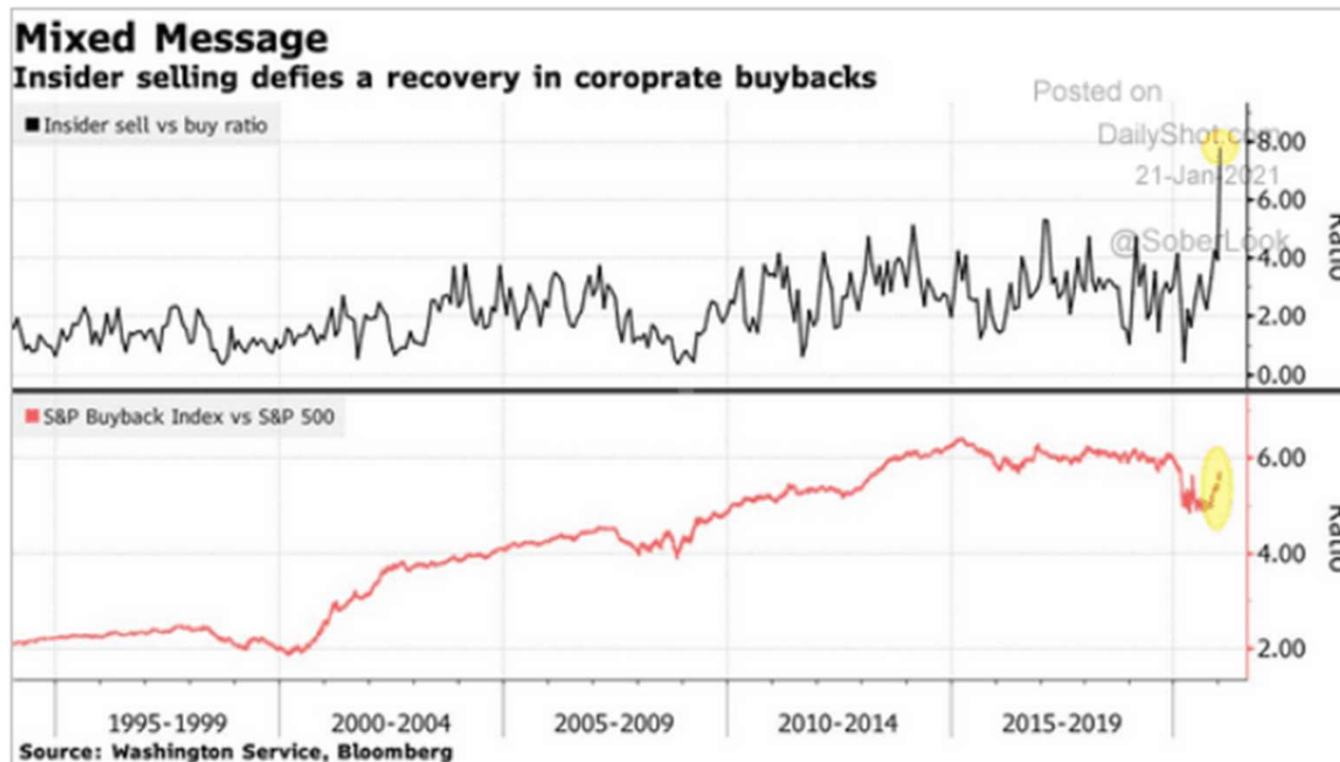
Chart 20: BofA B&B Indicator (scale 0 to 10)



Source: BofA Global Investment Strategy

Stocks:

Mixed signals from insiders : time to take profit?



Source: @jessefelder, @markets [Read full article](#)

What to watch next week



- **Canada:**

- Building Permits (last month: +12.9% in November)
- GDP Growth in November (last month: +0.4% MoM in October)

- **U.S.:**

- Conference Board Consumer Confidence Index (consensus: stable at 88.8 in January)
- Durable Goods Orders (consensus: 1.0% in December)
- Fed Rate Decision (consensus: No change)
- 2020 Q4 GDP Growth (consensus: 4.3% QoQ SAAR)

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Category: All | Author: All

Weekly economic publications

The economic risks from a possible second wave

August 21, 2020 | Clément Gignac |

This week, we watch the economic risks from a possible second wave in the fall and explain why the Canadian economy is well positioned to outperform in the second half of the year.

Monthly publications

Economic recovery in doubt with the resurgence of cases of COVID-19

August 21, 2020 | Clément Gignac |

Risk factors are starting to emerge around the globe. The pandemic continues and while the first wave has passed, there is still the possibility of a second wave in certain countries.

Weekly economic publications

In the U.S., economic surprises remain strong

August 14, 2020 | Clément Gignac |

Share prices

2020-08-27 09:32 EDT

^TSX	\$16,709.23	-\$80.74
SCADUSD	\$0.76	+\$0.00

Fund performance and overview

2020-08-26 20:00 EDT

Focus Prudent Classic series 75/75 Variation on year-to-date	% 3.78
Selection Prudent Classic series 75/75 Variation on year-to-date	% 1.67

Disclaimer



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